Cut in the rate of interest on provident fund

2042. SHRI J. CHITHARANJAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to cut the rate of interest on Provident Fund from 12 to 10 per cent; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :(a) and (b) As of now, no such proposal is under consideration of the Government.

Free hand to the FIs to divest their stakes in companies

2043. SHRI J CHITHARANJAN:
SHRI JALALUDIN ANSARI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government had decided not to interfere with any decision of the financial institutions to divest stake in any company in the open market; and

(b) if so, the details thereof and the reasons therefor?

(a) the names of five largest Residuary Non-Banking Companies in the Country;

(b) the number of occasions when the Reserve Bank of India had issued directives against them during the last five years pursuant to structures in the court or otherwise together with directives issued, structures passed and the name of the concerned company; and

(c) the follow-up action taken against the errant company from time to time during the last five years together with the results thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :(a) As reported by Reserve Bank of India, five largest Residuary Non-Banking Companies in the country are:

(i) The Peerless General Finance and Investment Co. Ltd. Calcutta

(ii) Sahara India Financial Corporation Ltd. Lucknow

(iii) Sanchayani Savings and Investment (I) Ltd, Calcutta

(iv) Samruddhi Savings and Investment Co. Ltd, Raipur

(v) Janapriya Finance and Industries Investment (I) Ltd. Calcutta.

(b) and (c) According to information made available by Reserve Bank of India (RBI), directives have been issued to Peerless General Finance & Investment Company Ltd. to recognize the amount of service charges earlier being taken to profit and loss account and disclose this amount as an actual liability to the depositors, and disclose a true and fair state of its financial health in its balance sheet, and to make its NOF positive, not to make investments, without the prior approval of RBI, in the securities in the category of other investment until the NOF becomes positive, etc. Prohibitive orders have been issued against Sanchayani Savings & Investments (I) Ltd. Calcutta, Samruddhi Savings & Investments Co. Ltd., Raipur and Janapriya Finance & Industries Investment (I) Ltd., Calcutta. Supervisory advice was issued to Sahara India Financial Corporation Ltd. Lucknow to take certain steps to ensure that the company has adequate managerial skills commensurate with the size of its operations. RBI also rejected the application for certificate of Registration Filed by Samruddhi Savings & Investment (I) Ltd., and Janapriya finance & Industries Investment (I) Ltd. The compliance of the above directives, orders and advices is monitored by RBI as a part of its supervisory process.

Present rate of fiscal deficit question

2046. SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state the present rate of fiscal deficit and the expected fiscal deficit at the end of the current financial year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : The fiscal deficit during April-October was Rs. 57,733 crore and constituted 72.2 per cent of the budgeted fiscal deficit estimate of Rs. 79955 crore for 1999-2000. Revised Estimates of fiscal deficit will be available with the Budget Estimates for the next year.